

# 2003 MICHIGAN SBT Miscellaneous Credits

2003  
C-8000MC

Issued under authority of P.A. 228 of 1975. See instruction booklet for filing guidelines.

1. Name	2. Federal Employer ID Number (FEIN) or TR Number
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Read the instructions to determine eligibility before claiming any of these credits.

## PART 1: REFUNDABLE CREDITS

3. Enter the **MEGA Employment Tax Credit** from the *Annual Tax Credit Certificate* ..... 3.           .00  
4. Enter the amount of **WDSB Credit** allowed by the Bureau of Worker's Disability Compensation ..... 4.           .00

### APPRENTICESHIP CREDIT

- |  | A | B | C |
|--|---|---|---|
| 5. Enter all payroll and wages paid to each apprentice. Include the value of fringes and other payroll expenses ..... 5. |   |   |   |
| 6. Multiply line 5 by 50% ..... 6.   |   |   |   |
| 7. Enter all educational costs paid for each apprentice during the tax year ..... 7.                                     |   |   |   |
| 8. Add lines 6 and 7 ..... 8.  |   |   |   |
| 9. Enter the amount on line 8 or \$2,000, whichever is smaller.. 9.  |   |   |   |
10. **Apprenticeship Credit.** Add line 9 across ..... 10.           .00

**NEXT ENERGY PAYROLL CREDIT.** Available only to businesses located within an alternative energy renaissance zone.

Enter the street address of property or parcel number: \_\_\_\_\_

11. Enter the total payroll of research, development or manufacturing employees who work primarily within the zone ..... 11.           .00  
12. **Payroll Credit.** Multiply line 11 by the income tax rate for the tax year ..... 12.           .00  
13. **Subtotal for Apprenticeship and Next Energy Payroll Credit.** Add lines 10 and 12 ..... 13.           .00

### TOTAL REFUNDABLE CREDITS

14. Add lines 3, 4 and 13. Enter here and on Form C-8000, line 53 or C-8044, line 19 ..... 14.           .00

## PART 2: NONREFUNDABLE CREDITS

15. Enter the amount from Form C-8000, line 45 ..... 15.           .00  
16. Amount of the Unincorporated Credit from Form C-8000, line 46 ..... 16.           .00  
17. Tax after Unincorporated Credit. Subtract line 16 from line 15 ..... 17.           .00

**ENTERPRISE ZONE CREDIT.** This credit is available only to certified firms located in Benton Harbor.

If this credit is not being claimed, carry the amount from line 17 to line 31.

Enter the street address of the property or parcel number: \_\_\_\_\_

18. Enter the average value of property located within the zone ..... 18.           .00  
19. Multiply rentals within the zone by 8 and enter the result ..... 19.           .00  
20. Total property value within the zone. Add lines 18 and 19 ..... 20.           .00  
21. Enter the average value of all Michigan property ..... 21.           .00  
22. Multiply Michigan rentals by 8 and enter the result ..... 22.           .00  
23. Add lines 21 and 22 ..... 23.           .00  
24. Divide line 20 by line 23 ..... 24.           %  
25. Enter the total payroll within the zone ..... 25.           .00  
26. Enter total Michigan payroll ..... 26.           .00  
27. Divide line 25 by line 26 ..... 27.           %  
28. Add lines 24 and 27 ..... 28.           %  
29. Divide line 28 by 2. If there is only one factor, enter the amount from line 28 ..... 29.           %  
30. **Enterprise Zone Credit.** Multiply line 17 by line 29 ..... 30.           .00  
31. **Tax After Enterprise Zone Credit.** Subtract line 30 from line 17. If less than zero, enter zero ..... 31.           .00

**MICHIGAN HISTORIC PRESERVATION CREDIT.** If this credit will not be claimed, carry the amount from line 31 to line 34.

32. Total available credit. Enter the amount from Form 3581, line 11 ..... 32.           .00  
33. **Michigan Historic Preservation Credit.** Enter amount from line 31 or 32, whichever is smaller ..... 33.           .00  
34. **Tax After Michigan Historic Preservation Credit.** Subtract line 33 from line 31. If less than zero, enter zero ..... 34.           .00  
35. Credit forward. If line 32 is greater than line 31, enter the difference ..... 35.           .00

**LOW-GRADE HEMATITE PELLET CREDIT.** If this credit will not be claimed, carry the amount from line 34 to line 40.

36. Current year credit. Enter the number of long tons _____ x \$1.00 .....	36.	_____	.00
37. Enter any unused credit from the previous year .....	37.	_____	.00
38. Total available credit. Add lines 36 and 37 .....	38.	_____	.00
39. <b>Low-grade Hematite Pellet Credit.</b> Enter the amount from line 34 or line 38, whichever is smaller .....	39.	_____	.00
40. <b>Tax After Low-grade Hematite Pellet Credit.</b> Subtract line 39 from line 34. If less than zero, enter zero .....	40.	_____	.00
41. Credit forward. If line 38 is greater than line 34, enter the difference .....	41.	_____	.00

**NEXT ENERGY BUSINESS ACTIVITY CREDIT.** If this credit will not be claimed, carry the amount from line 40 to line 44.

42. Available Credit. Enter the Next Energy Business Activity Credit from the Certificate issued by the MEDC .....	42.	_____	.00
43. <b>Next Energy Credit.</b> Enter amount from line 40 or line 42, whichever is smaller .....	43.	_____	.00
44. <b>Tax After Next Energy Credit.</b> Subtract line 43 from line 40. If less than zero, enter zero .....	44.	_____	.00

**PHARMACEUTICAL CREDIT.** If this credit will not be claimed, carry the amount from line 44 to line 58.

45. Qualified Research Expenses (QRE) for pharmaceutical business activity in Michigan for 2003 .....	45.	_____	.00
46. QRE for pharmaceutical business activity in Michigan (2002) .....	46.	_____	.00
47. QRE for pharmaceutical business activity in Michigan (2001) .....	47.	_____	.00
48. QRE for pharmaceutical business activity in Michigan (2000) .....	48.	_____	.00
49. Add lines 46, 47 and 48 .....	49.	_____	.00
50. Average QRE for 3 preceeding years. Divide line 49 by 3 ....	50.	_____	.00
51. Increased QRE. Subtract line 50 from line 45 .....	51.	_____	.00
52. Multiply line 51 by 6.5% (0.065) .....	52.	_____	.00
53. Multiply line 50 by 200% (2.00) .....	53.	_____	.00
54. Available Credit. Enter the lesser of lines 52 or 53 .....	54.	_____	.00
55. Enter amount of credit assigned to taxpayer from another taxpayer .....	55.	_____	.00
56. Total available credit. Add lines 54 and 55 .....	56.	_____	.00
57. <b>Pharmaceutical Credit:</b> Enter the amount from line 44 or line 56, whichever is smaller .....	57.	_____	.00
58. <b>Tax After Pharmaceutical Credit.</b> Subtract line 57 from line 44. If less than zero, enter zero .....	58.	_____	.00
59. Credit Forward. If line 56 is greater than line 44, enter the difference .....	59.	_____	.00
60. Enter the subtotal of the Apprenticeship and Next Energy Payroll Credits from line 13 .....	60.	_____	.00
61. <b>Tax After Apprenticeship and Next Energy Payroll Credit.</b> Subtract line 60 from line 58. If less than zero, enter zero .....	61.	_____	.00

**"OLD" BROWNFIELD CREDIT.** If this credit will not be claimed, carry the amount from line 61 to line 64.

Enter the street address of the property or parcel number: \_\_\_\_\_

62. Enter any unused credit from the previous years .....	62.	_____	.00
63. <b>Old Brownfield Credit.</b> Enter the amount from line 61 or line 62, whichever is smaller .....	63.	_____	.00
64. <b>Tax After Old Brownfield Credit.</b> Subtract line 63 from line 61. If less than zero, enter zero .....	64.	_____	.00
65. Credit forward. If line 62 is greater than line 61, enter the difference .....	65.	_____	.00

**RENAISSANCE ZONE CREDIT.** If this credit will not be claimed, carry the amount from line 64 to line 67. If claiming this credit, complete the Renaissance Zone Worksheet on page 51.

66. <b>Renaissance Zone Credit.</b> Enter the amount from the Renaissance Zone Worksheet, line 24 .....	66.	_____	.00
67. <b>Tax After Renaissance Zone Credit.</b> Subtract line 66 from line 64. If less than zero, enter zero .....	67.	_____	.00
68. If a WDSB Credit is being claimed, enter the amount from line 4 .....	68.	_____	.00
69. <b>Tax After WDSB Credit.</b> Subtract line 68 from line 67. If less than zero, enter zero .....	69.	_____	.00

**"NEW" BROWNFIELD CREDIT.** If this credit will not be claimed, carry the amount from line 69 to line 74.70. Enter the amount of available credit from the *SBT Brownfield Redevelopment Credit Certificate of Completion*, or the amount of credit from the *SBT Brownfield Credit Assignment* form .....

Credit Certificate of Completion, or the amount of credit from the CD?		
Brownfield Credit Assignment form .....	70.	_____ .00
71. Enter any unused credit from the previous years .....	71.	_____ .00
72. Total Available Credit. Add lines 70 and 71 .....	72.	_____ .00
73. <b>New Brownfield Credit.</b> Enter the amount from line 69 or 72, whichever is smaller .....	73.	_____ .00
74. <b>Tax After New Brownfield Credit.</b> Subtract line 73 from line 69. If less than zero, enter zero .....	74.	_____ .00
75. Credit Forward. If line 72 is greater than line 69, enter the difference .....	75.	_____ .00

**MEGA BUSINESS ACTIVITY CREDIT.** If this credit will not be claimed, carry the amount from line 74 to line 80.

76. Enter the MEGA Business Activity Credit from the Annual Tax Credit Certificate .....	76.	_____	.00
77. Enter any unused credit from the previous years .....	77.	_____	.00
78. Total Available Credit. Add lines 76 and 77 .....	78.	_____	.00
79. <b>MEGA Business Activity Credit.</b> Enter the amount from line 74 or line 78, whichever is smaller .....	79.	_____	.00
80. <b>Tax After MEGA Business Activity Credit.</b> Subtract line 79 from line 74. If less than zero, enter zero ...	80.	_____	.00
81. Credit Forward. If line 78 is greater than line 74, enter the difference .....	81.	_____	.00

**TOTAL NONREFUNDABLE CREDITS**

82. Add lines 30, 33, 39, 43, 57, 63, 66, 73 and 79. Enter here and on Form C-8000, line 47 .....	82.	_____	.00
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**RENAISSANCE ZONE CREDIT WORKSHEET**

1. Tax liability before Renaissance Zone Credit. Enter the amount from C-8000MC, line 64 .....	1.	_____	.00
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Enter the street address of the property or parcel number: \_\_\_\_\_

**Business Activity Factor:**

2. Enter the average value of property located within the zone .....	2.	_____	.00
3. Multiply rentals within the zone by 8 and enter the result .....	3.	_____	.00
4. Total property value within the zone. And lines 2 and 3 .....	4.	_____	.00
5. Enter the average value of all Michigan property .....	5.	_____	.00
6. Multiply Michigan rentals by 8 and enter the result .....	6.	_____	.00
7. Add lines 5 and 6 .....	7.	_____	.00
8. Divide line 4 by line 7 .....	8.	_____	%
9. Enter total payroll for services performed within the zone .....	9.	_____	.00
10. Enter total Michigan payroll .....	10.	_____	.00
11. Divide line 9 by line 10 .....	11.	_____	%
12. Add lines 8 and 11 .....	12.	_____	%
13. Business Activity Factor. Divide line 12 by 2. If either lines 8 or 11 equal zero, enter amount on line 12 ...	13.	_____	%
14. Credit based on the Business Activity Factor. Multiply line 13 by line 1 .....	14.	_____	.00

**Adjusted services performed in the Renaissance Zone:**

15. Enter the amount on line 9 .....	15.	_____	.00
16. Enter the depreciation added to tax base for property exempt under 211.7ff. Claim property exempt in the tax year; claim new property* in the immediately following tax year .....	16.	_____	.00
17. Add lines 15 and 16 .....	17.	_____	.00

**Partnerships, LLCs, S Corporations and individuals only:**

A. Enter business income .....	18A.	_____	.00
B. Enter apportionment factor .....	18B.	_____	%
C. Enter amount from line 13 .....	18C.	_____	%
D. Multiply line 18A by line 18B by line 18C .....	18D.	_____	.00
E. Add lines 17 and 18D .....	18E.	_____	.00

**Adjusted Services:**

A. Enter the amount from line 17, or, if taxpayer is a Partnership, LLC, S Corp or Individual, amount from line 18E .....	19A.	_____	.00
B. Multiply line 19A by 10% (.10) .....	19B.	_____	.00
20. Credit for businesses first located within a Renaissance Zone after November 30, 2002. Enter lesser of line 14 or line 19B .....	20.	_____	.00

**Renaissance Zone Credit for Businesses first located within a Renaissance Zone before December 1, 2002 ONLY**

21 A. Enter Renaissance Zone Credit allowed in 2002 .....	21A.	_____	.00
B. Total payroll for services performed within the Zone in 2002 .....	21B.	_____	.00
C. Depreciation for property exempt under 211.7ff claimed in 2002 .....	21C.	_____	.00
D. Add lines 21B and 21C .....	21D.	_____	.00
E. Subtract line 21D from line 17. If less than zero, enter zero .....	21E.	_____	.00
F. Multiply line 21E by 2% (.02) .....	21F.	_____	.00
G. Add lines 21A and 21F .....	21G.	_____	.00
22. Enter the lesser of line 14 or line 21G .....	22.	_____	.00
23. Enter the amount from line 20 .....	23.	_____	.00
24. <b>Renaissance Zone Credit.</b> Enter the greater of lines 22 or 23 here and on C-8000MC, line 66 .....	24.	_____	.00

*\*i.e., property that has not been subject to, or exempt from the collection of taxes under the General Property Tax Act and has not been subject to, or exempt from ad valorem property taxes levied in another state, except that receiving an exemption as inventory property does not disqualify property*

# Instructions for C-8000MC

## Miscellaneous Credits

**Purpose:** To allow eligible taxpayers to claim the Michigan Economic Growth Authority (MEGA), Workers' Disability Supplemental Benefit (WDSB), Apprenticeship, Next Energy, Enterprise Zone, Michigan Historic Preservation, Low Grade Hematite Pellet, Pharmaceutical, Renaissance Zone and Brownfield credits. Review the descriptions carefully before claiming a credit as there are strict eligibility requirements. Follow the instructions on the form for each credit.

### PART 1: Refundable Credits

**The MEGA Employment Tax Credit** promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Approved businesses receive a certificate from MEGA each year showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. For more information, call the Michigan Economic Development Corporation (MEDC) at 517-373-9808 or visit the MEDC Web site at [medc.michigan.org/miadvantage](http://medc.michigan.org/miadvantage).

**The WDSB Credit** is available to self-insured employers only for the amount authorized by the Department of Labor and Economic Growth (DLEG) during the tax year. The authorization date and the amount of credit are on the credit list (LW06401-Z04) given to taxpayers by DLEG. Attach a copy of the credit list(s) to the return to substantiate claims. For more information on WDSB credit eligibility, call DLEG, Bureau of Workers' Disability Compensation, at 517-322-1879 or 1-888-396-5041 or visit the DLEG Web site at [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

**The Apprenticeship Credit** encourages businesses to hire and provide training to qualified students. The credit equals 50 percent of the payroll expenses paid for the benefit of an apprentice in a qualified program *plus* 100 percent of the cost of classroom instruction and related expenses. Apprentices must be 16-19 years old and enrolled in either high school or a GED program. The maximum credit is \$2,000 annually per apprentice. To substantiate claims, attach a copy of an approved federal form *ETA 671* to the return for each apprentice. For more information, call the U.S. Department of Labor, Bureau of Apprenticeship and Training, at 517-377-1746 or visit Michigan's School-to-Registered Apprenticeship Program and Tax Credit Web site at [www.michigan.gov/mdcd](http://www.michigan.gov/mdcd) and click on "fact sheets".

**The Next Energy Payroll Credit** provides a payroll credit to qualified businesses located within an alternative energy renaissance zone. Qualified businesses must be engaged solely in the research,

development or manufacturing of an alternative energy technology. The credit is equal to the payroll amount for the tax year attributable to employees who are working on alternative energy-related research, development or manufacturing and whose regular place of employment is within the zone, multiplied by the income tax rate for that year.

### PART 2: Nonrefundable Credits

**The Enterprise Zone Credit** was created to encourage businesses to locate and expand in areas with high unemployment, low income, high property taxes and low property value. A certified business is eligible for a credit equal to the amount of tax liability attributable to business activity in the enterprise zone for 10 years from the date the business was certified. The only certified enterprise zone eligible for this credit is in Benton Harbor. No new applications are being accepted for this credit. Be sure to enter the street address or the parcel number of the property before beginning the calculation. For more information, see Revenue Administrative Bulletin 1993-10 or call the MEDC at 517-373-9808.

**The Michigan Historic Preservation Credit** provides tax incentives for homeowners, commercial property owners and businesses to rehabilitate historic resources located in Michigan. The credit is based upon the qualified expenditures made for rehabilitating historic resources.

Form 3581, *Michigan Historic Preservation Tax Credit*, must be attached as well as all attachments requested on that form.

Complete and attach Form 3614, *Michigan Historic Preservation Tax Credit Assignment*, if the credit is being assigned.

Questions regarding federal and state certification may be directed to the State Historic Preservation Office at 517-373-1630.

For additional information, visit the State Historic Preservation Office Web site at: [www.michigan.gov/hal](http://www.michigan.gov/hal).

Information about Federal Historic Preservation Tax Incentives is available at: [www2.cr.nps.gov](http://www2.cr.nps.gov)

Forms are available on Treasury's Web site at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

**The Low-Grade Hematite Pellet Credit** provides a credit equal to \$1.00 per long ton of qualified low-grade hematite pellets consumed in an industrial or manufacturing process that is the business activity of the taxpayer. This credit shall be based on low-grade hematite pellets consumed on or after January 1, 2000. If the credit exceeds the tax liability, the difference may be carried forward for the next 5 tax years.

**The Next Energy Business Activity Credit** allows an eligible taxpayer, for tax years beginning after 2002, to claim a credit for certain qualified business activity if certified under the Michigan Next Energy Authority Act.

"Qualified business activity" is research, development or manufacturing of an alternative energy marine propulsion system, an alternative energy system, an alternative energy vehicle or alternative energy technology (as defined in the Act) or renewable fuel. The credit for a tax year is equal to the amount by which the taxpayer's SBT liability attributable to qualified business activity for the tax year exceeds the taxpayer's baseline tax liability attributable to qualified business activity. Attach the certificate issued by MEDC for this credit to the return to substantiate a claim.

For more information, call the MEDC at 517-373-9808 or visit their Web site at [medc.michigan.org/advmfg](http://medc.michigan.org/advmfg).

**The Pharmaceutical Credit** provides a credit for qualified research expenses (as defined in section 41 of the IRC) related to the taxpayer's pharmaceutical-based business activity in Michigan. Eligible taxpayers must be primarily engaged in manufacturing, research, development and sale of pharmaceuticals; have at least 8,500 employees in Michigan whose primary place of employment is within a 100-mile radius of each other, where at least 5,000 of these Michigan employees must be engaged primarily in research and development of pharmaceuticals. The credit is equal to 6.5% of the amount by which the taxpayer's qualified research expenses relating to pharmaceutical-based business activity in this state for the tax year exceeds the average of those expenses that it paid for the immediately preceding three tax years. The credit may not exceed 200% of the average qualified research expenses relating to pharmaceutical-based business activity in this state for the three preceding tax years. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next seven tax years. Complete and attach Form 4079, *Michigan Pharmaceutical Credit Assignment*, if the credit is being assigned.

**The Old Brownfield Credit** was available for tax years that began after December 31, 1996 and before January 1, 2001. The credit carryforwards from credits that were previously approved may still be applied against the current tax liability until the credit is used up or the 10-year limitation has been reached.

**The Renaissance Zone Credit** encourages businesses and individuals to move into a designated zone to help revitalize the area. A business located and conducting business activity within the Zone may claim a credit for tax years beginning after December 31, 1996. Beginning with the 2003 tax year, the method of calculating the credit is different for businesses first locating and conducting business activity within a Renaissance Zone

before December 1, 2002, and those businesses first locating and conducting business activity within a Renaissance Zone after November 30, 2002. Be sure to enter the street address or the parcel number of the property before beginning the calculation.

Business activities relating to a casino, including operating a parking lot, hotel, motel or retail store, cannot be used to calculate this credit. Businesses delinquent in filing or paying property tax, single business tax or city income tax as of December 31 of the prior tax year are not eligible for this credit. Taxpayers will be notified if a claimed credit is disallowed.

For more information on Renaissance Zones, contact the MEDC at 517-373-9808 or visit their Web site at [medc.michigan.org/miadvantage](http://medc.michigan.org/miadvantage). For information on the SBT credit, contact the Michigan Department of Treasury, Customer Contact Division, SBT Unit at 517-636-4700.

**The New Brownfield Credit**, extended through 2007, encourages businesses to make investment on eligible Michigan property that was used or is currently used for commercial, industrial, or residential purposes and is either a facility (environmentally contaminated property), functionally obsolete, or blighted. Functionally obsolete or blighted property must be located in a qualified local governmental unit. For the purpose of this credit, the local Brownfield Redevelopment Financing Authority designates eligible property in an approved Brownfield plan.

For the credit to be valid, attach the *Certificate of Completion*, issued after completion of the approval process, to the return. If the credit is being assigned, attach documentation verifying that the credit is valid. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years.

For more information on the approval process for the Brownfield Credit visit Treasury's Web site at [www.michigan.gov/treasury](http://www.michigan.gov/treasury).

**The MEGA Business Activity Tax Credit** promotes economic growth and jobs in Michigan. Projects must be certified by MEGA. Each year, approved businesses receive a certificate from MEGA showing the total amount of tax credit allowed. Attach the *Annual Tax Credit Certificate* to the return to substantiate a claim. The credit will be disallowed if the certificate is not attached. If the credit exceeds the tax liability for the year, the difference may be carried forward for the next 10 tax years. For more information, contact the MEDC at 517-373-9808 or visit their Web site at [medc.michigan.org/miadvantage](http://medc.michigan.org/miadvantage).

**Attach this schedule to the return.**